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DRAFT OF PROPOSED
AGRICULTURAL ADJUSTMENT ACT OF 1937

A BILL

To Provide an Adequate and Balanced Flow of the Major Agricultural Commodities in Interstate and Foreign Commerce, and for other Purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That this Act may be cited as the "Agricultural Adjustment Act of 1937".

TITLE I.

Sec. 1. Declaration of Policy. -- (a) It is hereby declared to be the policy of Congress to conserve national soil resources and prevent the wasteful use of soil fertility; to maintain both parity of prices paid to farmers for major agricultural commodities marketed by them for domestic consumption and export, and parity of income for farmers marketing such commodities; and, without interfering with the maintenance of such parity prices, to provide surplus reserves and available supplies of the major agricultural commodities adequate to meet domestic consumption and export needs in years of drouth, flood and other adverse conditions, as well as in years of plenty.

(b) For the purposes of this Act,--

1. The "major agricultural commodities" shall be cotton, wheat, field corn, tobacco, and rice (and any regional or market classification or grade thereof) produced in the United States.

2. "Parity", as applied to prices for a major agricultural commodity, shall be that price for the commodity as will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the period from August 1909 to July 1914, or in case of tobacco, August 1919 to July 1929.

3. "Parity", as applied to income, shall be that net income of farmers that bears to the income of individuals other than farmers, the same relation as prevailed during the period from August 1909 to July 1914.

Sec. 2. Contracts with Farmers. -- (a) In order more effectively to carry out the declared policy the Secretary is authorized and directed to prepare adjustment contracts and to tender such contracts to farmers producing for market any of the major agricultural commodities, the production and marketing of which affects commerce. A major agricultural commodity shall be deemed to be "produced for market", if the farmer is engaged primarily in the production of such commodity for disposition otherwise than as follows: by consumption by his workstock; or by consump-

tion by his family, employees, or household; or by feeding to poultry or livestock on the farm to be consumed, or the products of which are to be consumed, by his family, employees, or household.

(b) Under adjustment contracts there shall be made available to contracting farmers (hereinafter referred to as "cooperators"), first, Soil Conservation Act payments hereinafter specified; second, surplus reserve loans; and third, parity payments.

(c) The adjustment contracts first prepared under this section shall cover farming operations with respect to commodities planted for harvest in 1938, 1939, and 1940. For years subsequent to 1940, new adjustment contracts shall be prepared, for such additional periods as the Secretary shall determine. Adjustment contracts shall be tendered to farmers during the last five months of each calendar year, but shall be binding only with respect to major agricultural commodities planted for harvest in the subsequent calendar years covered by the contract. There shall be in force with respect to any farmer for any period only one contract with respect to each farm, but such contract shall apply to all major agricultural commodities produced on the farm for market.

(d) For the purposes of adjustment contracts, the "farmer" shall be deemed to be the person owning the land comprising the farm, except that if the farm is leased to a person having full control of cropping operations thereon for one or more years during the period covered by the adjustment contract, then such lessee shall be deemed to be the farmer during such year or years. In preparing and entering into adjustment contracts, the Secretary shall take into consideration and protect the rightful interests and equities of tenants and sharecroppers.

Sec. 3. Soil Conservation Act Payments. -- Commencing with the 1938 agricultural conservation program, no soil conserving (class I) payment under the Soil Conservation and Domestic Allotment Act, as amended, shall be payable with respect to cotton, wheat, field corn, rice, or tobacco, but in lieu thereof cooperators shall receive the parity payments under adjustment contracts. All such soil conserving payments with respect to other agricultural commodities, and all soil building (class II) payments under said Act shall, if the farmer is eligible to enter into an adjustment contract, be paid to him only if he has entered into such a contract.

Sec. 4. Surplus Reserve Loans. -- (a) The Surplus Reserve Loan Corporation established by title III of this Act (hereinafter referred to as the Corporation) is directed to make available surplus reserve loans upon any major agricultural commodity produced for market, at the loan rates prescribed in Schedule A of this title. Such loans shall be made only to cooperators and on the security solely of the stocks of the commodity insured and stored under seal in warehouses meeting the requirements of

regulations of the Secretary. The terms and conditions of such loans shall be such as the Corporation determines most effectively will carry out with respect to the commodity the declared policy of this Act.

(b) Each adjustment contract shall include a provision that the Secretary shall, whenever he finds it necessary in order to carry out the declared policy of this Act with respect to any major agricultural commodity, require a cooperator so to store under seal his stock of the commodity for any marketing year up to an amount not exceeding 20 per centum of his production of the commodity for such year, in which event the cooperator shall be entitled to obtain from the corporation with respect to stocks so stored surplus reserve loans as provided in subsection (a).

Sec. 5. Parity Payments. -- (a) Promptly following the close of each marketing year for any major agricultural commodity the Secretary shall make parity payments to cooperators engaged in the production of such commodity for market during such marketing year. Such payments shall be computed at the parity payment rates prescribed in Schedule A of this title based on the total supply and parity price proclaimed at the beginning of the marketing year just closed. Such payments shall be paid on the aggregate normal yield of the acreage devoted to the production of the commodity during the marketing year just closed.

(b) Notwithstanding the provisions of subsection (a), if the difference between the current average farm price for the commodity during the marketing year just closed and the maximum income rate therefor is less than the applicable payment rate, then the parity payment shall be computed at a rate equal to the difference between such current average farm price and the maximum income rate.

(c) The first parity payments made under this Act with respect to any major agricultural commodity shall be those made following the close of the marketing year therefor ending during 1938.

Sec. 6. Consumer Safeguards. -- (a) For the purpose of protecting consumers from excessive prices for any major agricultural commodity, the Corporation is directed, whenever the total supply for the commodity is below the normal supply level, to call surplus reserve loans secured by such commodity to such extent as the Corporation determines to be necessary in order to carry out the declared policy of this Act. Commodities acquired by the Corporation in connection with any surplus reserve loans shall, under such regulations as the Secretary shall prescribe, be insured, stored, and disposed of to meet the needs of consumers if the total supply of the commodity (excluding the supply held by the Corporation) is below the normal supply level; otherwise for industrial, human relief, export, or surplus reserve purposes.

(b) Whenever the current average farm price for any major agricultural commodity as proclaimed monthly under section 6 (a) is more than 10 percentum above or below the parity price so proclaimed for such commodity, then the Secretary shall further proclaim the amount of such difference. Effective the day following such proclamation the specific rate of duty imposed by law upon the corresponding dutiable commodity, namely, wheat, corn or maize including cracked corn, wrapper tobacco and filler tobacco, or paddy or rough rice and brown rice, as specified in the proclamation, shall be decreased or increased, respectively, by the amount of such difference. Whenever the current average farm price so proclaimed for such major agricultural commodity no longer differs by more than 10 percentum from the parity price so proclaimed for such commodity, then the Secretary shall proclaim that fact, and the decrease or increase in rate of duty shall cease to be in effect on the day following such proclamation.

Sec. 7. Bases and Normal Yields. -- (a) There shall be established with respect to each farm of any farmer (whether or not a cooperator) a soil-depleting base acreage, and a normal yield per acre, for each major agricultural commodity produced for market thereon.

(b) The national soil-depleting base acreage for any major agricultural commodity shall be an acreage for the commodity, the national average yield of which will equal the supply (as determined by the Secretary from the latest available statistics of the Department) required to be produced annually for domestic consumption and exports, adjusted as follows: First, so as to maintain surplus reserves and available supplies in accordance with the declared policy; and Second, so as to take into account acreage formerly but not currently required for exports. The Secretary shall make such determination as of August 1, 1937 with respect to each major agricultural commodity, and thereafter as of the same date in each year in which a new adjustment contract is prepared and first tendered to farmers producing such commodity for market.

(c) The national soil-depleting base acreage for any major agricultural commodity shall be allotted by the Secretary among the several States and among the counties or other local administrative areas therein deemed the most effective in the region for purposes of the administration of this Act. Such allotment shall be made on the basis of the acreage devoted to the production of the commodity during the preceding 10 years, with adjustments for abnormal weather conditions and for trends in acreage during this period.

(d) Each such local allotment, after deducting the acreage for farms on which the commodity is not produced for market, shall be allocated, through local committees of farmers, among the farms within the local administrative area on which the commodity is produced for market. Such allocations shall be equitably adjusted among such farms according to the tillable acreage, type of soil, topography, and production facilities.

(e) The normal yield per acre for any major agricultural commodity on any farm shall be the average yield per acre for the commodity thereon during the preceding 10 years, or if there is no actual yield, or the data therefor are not available for any year, then an appraised yield to be determined by the regulations of the Secretary. The normal yield per acre shall be first computed during the period in which adjustment contracts are first tendered to farmers under this Act and thereafter shall be recomputed during any period in which new adjustment contracts are first tendered to farmers.

Sec. 8. Normal Supply Level and Total Supply.-- For the purposes of this Act, the normal supply level for the several major agricultural commodities shall be as follows:

Cotton, a normal year's domestic and foreign consumption, plus 35 per centum thereof as an allowance for an ever-normal granary;

Wheat, a normal year's domestic consumption, plus 20 per centum thereof as an allowance for exports and for an ever-normal granary;

Field corn, a normal year's domestic consumption, plus 5 per centum thereof as an allowance for an ever-normal granary;

Rice, a normal year's domestic consumption, plus 10 per centum thereof as an allowance for exports and for an ever-normal granary;

Tobacco, a normal year's domestic consumption and exports, plus 200 per centum of a normal year's domestic consumption and 50 per centum of a normal year's exports as an allowance for an ever-normal granary.

The total supply of any such commodity shall be the carry over at the beginning of the marketing year, plus the estimated production during the calendar year in which such marketing year begins.

Sec. 9. Acreage Diversion. -- (a) Whenever the total supply of any major agricultural commodity as finally ascertained and proclaimed by the Secretary exceeds the normal supply level therefor, the Secretary shall require cooperators engaged in the production of the commodity for market to divert from the production of the commodity during such marketing year such percentage of the soil depleting base acreage for the commodity as the Secretary determines and proclaims to be necessary in order that, at the end of the marketing year, the total supply for the commodity shall be substantially at the normal supply level therefor. The Secretary shall further require that the farmer engage in such soil maintenance, soil building, and dairy practices with respect to his soil depleting base acreage not

devoted to the production of the commodity, as are provided by his adjustment contract.

(c) If the acreage actually devoted by the farmer to the production of the commodity during the marketing year is more than 90 per centum, but not more than 100 per centum, of the acreage permitted to be so devoted, then the farmer shall be conclusively presumed to have devoted 100 per centum of the permitted acreage to the production of the commodity.

(d) If any farmer during any marketing year produces any major agricultural commodity on acreage in excess of his soil depleting base acreage for such commodity or fails to divert from the production of any such commodity the percentage of his soil depleting base acreage therefor required pursuant to this section, then such farmer shall be deemed a non-cooperator and shall not be entitled to surplus reserve loans or parity payments with respect to his production of the commodity for such marketing year.

Sec. 10. Marketing Quotas. -- (a) Whenever on the 30th day prior to the beginning of the marketing year for any major agricultural commodity, the Secretary has reason to believe that the total supply thereof, as of the beginning of such marketing year, will exceed the normal supply level therefor by more than the following percentage: Cotton, 15%; wheat, 20%; field corn, 10%; rice, 10%; tobacco, 10% -- then the Secretary shall within 15 days thereafter hold, at a convenient place within the principal area or areas where the commodity is produced, public hearing for the purpose of ascertaining the facts with respect to the total supply of the commodity.

(b) If the Secretary determines on the basis of such hearings that the total supply for the commodity will exceed the normal supply level therefor by more than the percentage above specified, he shall proclaim that, beginning on the date of the proclamation, a national marketing quota shall be in effect for the current crop of such commodity, and shall determine and specify in the proclamation the total supply and the amount of such quota. The proclamation of the Secretary shall be made not later than the 15th day prior to the beginning of the marketing year.

(c) A national marketing quota for any major agricultural commodity shall, together with the quantity of the commodity not produced for market, be equal to the amount required to bring the supply available for market during the marketing year following the proclamation to the normal supply level for the commodity.

(d) If the total supply of any major agricultural commodity as proclaimed by the Secretary within 45 days after the beginning of the marketing year is less than that proclaimed by him under subsection (b), then any national marketing quota for the commodity in effect as a result of the proclamation under subsection (b) shall be reduced.

(e) No marketing quota shall be placed into effect with respect to any crop of the commodity harvested prior to 1938.

(f) The Secretary shall provide, through local committees of farmers, for farm marketing quotas which shall fix the quantity of the commodity which may be marketed from the farm. Such farm marketing quotas shall be established by allocating the national marketing quota for the commodity among the farmers (whether or not cooperators) engaged in producing the commodity for market. Such allocations shall be made on the basis of the aggregate normal yield of the soil depleting base acreage for the commodity decreased, in case of non-cooperators as well as cooperators, by the percentage of such acreage required to be diverted from the production of the commodity.

(g) If by reason of drouth, war, or other emergency, the Secretary has reason to believe that the national marketing quota for any commodity should be increased, then the Secretary shall proclaim that fact and, after due notice and opportunity for public hearing to interested parties, shall, to the extent necessary to meet such emergency, increase the marketing quotas within any producing area. No allocation to any farmer shall be reduced by reason of the authority conferred by this subsection.

Sec. 11. Excess Marketing Penalty. -- (a) It shall be an unfair agricultural practice for any farmer (whether or not a cooperator) to market any major agricultural commodity in excess of his marketing quota established for such commodity unless prior to such marketing (1) the Secretary shall have proclaimed that the total supply of such commodity is less than the normal supply level therefor; or (2) the farmer shall have diverted from the production of such commodity during a subsequent marketing year an acreage the aggregate normal yield of which equals or exceeds the amount of such excess marketings, and in addition, if the farmer is a cooperator, shall have diverted from the production of such commodity the percentage, if any, of the soil depleting base acreage proclaimed by the Secretary.

(b) It shall be a violation of law for any farmer to engage in any unfair agricultural practice that affects commerce, and for each such violation the farmer shall be liable to pay an excess marketing penalty at the following rates per unit of the commodity marketed in excess of his marketing quota: Cotton, 10¢ per pound; wheat, 60¢ per bushel; field corn, 50¢ per bushel; rice, 2¢ per pound; tobacco, 12¢ per pound. Such penalties shall accrue to the United States and shall be payable to and collected by the Secretary.

(c) Whenever, after investigation, the Secretary has reason to believe that any farmer has engaged in any unfair agricultural practice that affects commerce and so certifies to the appropriate district attorney of the United States, it shall be the duty of the District attorney, under the direction of the Attorney General, to institute a civil action in the name of the United States for the recovery of the penalty payable with respect to the violation.

(d) In determining whether any farmer (whether or not a cooperator) has engaged in any unfair agricultural practice, the farmer shall be presumed to have produced for market from any acreage the normal yield for such acreage. This presumption may be rebutted only by the farmer.

(e) Any person engaged in the business of purchasing major agricultural commodities from farmers or of processing such commodities for farmers shall from time to time, on request of the Secretary, furnish the Secretary with such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this section. Such information shall be furnished and such records shall be kept in accordance with forms or reports to be prescribed by the Secretary. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memoranda as are relevant and are within the control of the person. Any person failing to furnish any information or keep any records as required by this subsection shall be deemed guilty of a misdemeanor and upon conviction thereof be subject to a fine of not more than \$1000.

(f) Farmers engaged in the production of any major agricultural commodity for market shall furnish such proof of their acreage, storage, and marketing of the commodity in the form of records, marketing cards, reports, storage under seal, or otherwise, as may be necessary for the administration of this section and prescribed by regulations of the Secretary. Any farmer failing to furnish such proofs in the manner and within the time provided shall be guilty of a misdemeanor and upon conviction thereof be subject to a fine of not more than \$100.

(g) All information furnished to or acquired by the Secretary pursuant to subsections (e) and (f) shall be kept confidential by all officers and employees of the Department of Agriculture, and only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing involving the administration of this Act.

Sec. 12. Publication and Review of Soil Depleting Base Acreages, Normal Yields, and Marketing Quotas. -- (a) Under regulations of the Secretary, each local committee of farmers shall publish in a newspaper of general circulation within the county, a list of the soil depleting base acreages, normal yields, and marketing quotas, if any, for every farm within jurisdiction of the committee; and shall file for public inspection a certified copy of the list with the recorder of deeds or similar county official.

(b) Under regulations of the Secretary, any farmer dissatisfied with the determination of any soil depleting base acreage, normal yield, or marketing quota for his farm, may within 15 days after newspaper publication of such determination as hereinbefore provided, have the determination reviewed by a review committee whose membership shall be composed of farmers but shall not include any members of the committee of farmers making the determination. Unless application for such review is made within such period, the determination of the local committee of farmers shall be final.

(c) Under regulations of the Secretary, any farmer dissatisfied with a determination of the review committee may, within such reasonable time and in such manner as the Secretary shall prescribe, file with a reviewing officer to be designated by the Secretary, a written petition alleging that the determination made by the local review committee was not in accordance with law and praying for a modification thereof; and the petitioner shall thereupon be afforded an opportunity for full hearing on the petition at a place of hearing within the county in which the petitioner's farm is located. After such hearing the reviewing officer shall make a report in writing stating his findings and conclusions, and an order confirming or modifying the determination of the review committee of farmers. A copy of the report and order shall be served on the petitioner by sending the same to him by registered mail.

(d) The petitioner may, within 15 days after receipt of a copy of such report and order, file a bill in equity against the Secretary as defendant in the United States District Court for the district in which the petitioner is an inhabitant or operates his farm, for the purpose of obtaining a review of such order. The bill of complaint in such a proceeding may be served by delivering a copy thereof to the Secretary or to any person within the district in which suit is brought who may have been authorized by the Secretary to accept service of such a bill, and thereupon the reviewing officer shall certify and file in the court a transcript of the record upon which the determination complained of was entered. The review by the court shall be limited to questions of law, and findings of fact by the reviewing officer when supported by substantial evidence shall be conclusive. No objection to the order of the Secretary shall be considered by the court unless such objection shall have been urged before the reviewing officer; or unless there was reasonable grounds for failure so to do. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the reviewing officer, the court may order such additional evidence to be taken before the reviewing officer in such manner and upon such terms and conditions as to the court may seem proper. The reviewing officer may modify his findings and conclusions and his order by reason of the additional evidence so taken, and he shall file with the court such

modified or new findings, conclusions or order, which findings, if supported by substantial evidence, shall be conclusive. At the earliest convenient time the court shall hear and determine the case upon the original record of the hearing before the reviewing officer, or upon such record as supplemented by further hearing before him pursuant to an order of the court, and the court shall affirm the reviewing officer's order, or the order as modified by him, if the court determines that the same is in accordance with law. If the court determines that such order or modified order is not in accordance with law, it shall remand the proceeding to the reviewing officer with directions either to make such order as the court shall determine to be in accordance with law or to take such further proceedings as in its opinion the law requires.

(e) Notwithstanding any other provision of law, the jurisdiction conferred by this subsection to review the legal validity of a determination made by a reviewing officer pursuant to this title shall be exclusive. No court of the United States or of any State shall have jurisdiction to pass upon the legal validity of any such determination except in a proceeding under this subsection. The commencement of judicial proceedings under this subsection shall not, unless specifically ordered by the court, operate as a stay of the reviewing officer's order.

(f) In the event of an increase with respect to any major agricultural commodity of any depletion base acreage or marketing quota for any farm as a result of the review of the determination thereof under this section, then all other depletion base acreages or marketing quotas, respectively, for farms in the same local administrative area shall be reduced pro rata in accordance with regulations of the Secretary.

Sec. 13. Legislative Findings. -- The Congress herewith finds as follows:

(a) The production and marketing of the major agricultural commodities, cotton, wheat, corn, rice and tobacco, constitutes one of the great basic industries of the United States with ramifying activities which directly affect commerce at every point, and stable conditions therein are necessary to the general welfare. Such commodities are the nation's basic source of food and fiber and of feed for livestock for human consumption, and such commodities and livestock produced for market are sold on a nationwide market and with their products move almost wholly in commerce from the producer to the ultimate consumer. The farmers producing such commodities are subject in their operations to uncontrollable natural causes, are widely scattered throughout the nation, and are not so situated as to be able to organize effectively, as can labor and industry, for joint economic action; and in many cases such farmers carry on their farming operations on borrowed money or leased lands. For these reasons, among others, the farmers are unable without Federal intervention to control effectively the orderly marketing of such commodities and livestock and

products thereof, with the result that abnormally excessive supplies thereof are produced and dumped indiscriminately on the nationwide market.

(b) The disorderly marketing of such abnormally excessive supplies affects, burdens, and obstructs commerce by (a) materially affecting the volume of such commodities marketed therein, (b) disrupting the orderly marketing of such commodities therein, (c) reducing the prices for such commodities with consequent injury to and destruction of commerce in such commodities, and (d) causing a disparity between the prices for such commodities in commerce and industrial products therein, with a consequent diminution of the volume of commerce in industrial products.

(c) Whenever an abnormally excessive supply of any major agricultural commodity exists, the production and marketing of such commodity by the producers thereof directly and substantially affects commerce in such commodity and its products, and the operation of the provisions of this title become necessary and appropriate in order to promote, foster, and maintain an orderly flow of such supply in commerce.

Sec. 14. Miscellaneous. -- (a) For the purpose of this Act, --

(1) "Normal year's domestic consumption" shall be the yearly average quantity consumed in the United States during the preceding 10 marketing years, adjusted for current trends in such consumption.

(2) "Normal year's foreign consumption" shall be the yearly average quantity consumed in foreign countries during the preceding 10 years, adjusted for current trends in such consumption.

(3) "Normal year's exports" shall be the yearly average quantity exported from the United States during the preceding 10 years, adjusted for current trends in such exports.

(4) The term "marketing year" means, for cotton, the period from August 1 of one year to July 31 of the succeeding year; for wheat, rice and tobacco, the period from July 1 of one year to June 30 of the succeeding year; for corn, the period from October 1 of one year to September 30 of the succeeding year.

(5) The term "commerce" means sale, marketing, trade, and traffic between any State or Territory or the District of Columbia or Puerto Rico, and any place outside thereof; or between points within the same State or Territory or within the District of Columbia or Puerto Rico, through any place outside thereof; or within any Territory or within the District of Columbia or Puerto Rico.

(6) The term "affect commerce" means in commerce, or to burden or obstruct commerce or the free and orderly flow of

commerce; or to create or tend to create a surplus of any major agricultural commodity which burdens or obstructs commerce or the free and orderly flow of commerce.

(7) The term "United States" means the several States and Territories and the District of Columbia and Puerto Rico.

(8) The term "State" includes a Territory and the District of Columbia and Puerto Rico.

(9) The term "Secretary" means the Secretary of Agriculture, and the term "Department" means the Department of Agriculture.

(10) The term "market" means to dispose of by sale, barter, exchange, or gift, or by feeding to livestock.

(b) The terms and conditions of adjustment contracts and loans thereunder, and the regulations under this Act or with respect to such contracts, and the time and manner of keeping records and making reports shall be prescribed by the Secretary only after opportunity for public hearing held upon not less than three days' notice and at a convenient place within the principal area or areas where the major agricultural commodity or commodities concerned are produced.

(c) The Secretary is authorized, to such extent as he deems appropriate, to provide for the administration of this title through statewide and local committees or associations of producers, or through State public or private agencies adequately empowered by State laws.

(d) The Secretary shall, on the first day of each month (or on the ensuing business day if said first day is a holiday in the District of Columbia or a Sunday) ascertain and proclaim the parity price and the current average farm price for each major agricultural commodity. The Secretary shall, within 45 days after the beginning of the marketing year for each major agricultural commodity, ascertain and proclaim the current average farm price for the commodity during the preceding marketing year, to be weighted in accordance with the quantity of the commodity marketed. Within such 45-day period the Secretary shall also ascertain and proclaim the total supply of such commodity as of the beginning of the marketing year.

(e) The latest available statistics of the Department shall be used by the Secretary in ascertaining the "total supply", "normal year's domestic consumption", "normal year's foreign consumption", "normal year's exports", "parity" as applied to prices and income, and "current average farm price".

SCHEDULE A

Surplus Reserve Loan, Parity Payment, Maximum Income Rates

COMMODITY	LOAN, PARITY PAYMENT, and MAXIMUM INCOME RATES are following Percentages of Parity Price:			If TOTAL SUPPLY is as follows	
	Surplus Reserve Loan Rate	Parity Payment Rate*	Maximum Income Rate		
Cotton	0%	15%	100%	Up to 140%) of a normal year's domestic and foreign consumption
	0%	20%	95%	140% up to 150%)	
	0%	25%	90%	150% up to 160%)	
	55%	30%	85%	160% or more)	
Wheat	85%	15%	100%	Up to 120%) of a normal year's domestic consumption
	75%	20%	95%	120% up to 130%)	
	65%	25%	90%	130% up to 140%)	
	55%	30%	85%	140% or more)	
Field Corn	85%	15%	100%	Up to 105%) of a normal year's domestic consumption
	75%	20%	95%	105% up to 110%)	
	65%	25%	90%	110% up to 115%)	
	55%	30%	85%	115% or more)	
Rice	0%	15%	100%	Up to 105%) of a normal year's domestic consumption
	0%	20%	95%	105% up to 110%)	
	0%	25%	90%	110% up to 115%)	
	55%	30%	85%	115% or more)	
Tobacco	0%	15%	100%	Up to 105%) of the normal supply level
	0%	20%	95%	105% up to 110%)	
	0%	25%	90%	110% up to 115%)	
	0%	30%	85%	115% or more)	

*The parity payment rate is a maximum. If the parity payment rate is greater than the difference between the current average farm price and the maximum income rate, then the rate of payment equals such difference. (See sec. 5).

NOTE: Title II relating to conforming amendments to the Soil Conservation and Domestic Allotment Act, revenue, and general provisions, and Title III relating to the establishment of the Surplus Reserve Loan Corporation, are to be added later.

